

ALTEL CORPORATION

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September 29, 2006

VIA HAND DELIVERY

Marlene H. Dortch, Secretary
Federal Communications Commission
c/o Natek, Inc., Inc.
236 Massachusetts Avenue, NE
Suite 110
Washington, DC 20002

Karen Majcher
Vice President, High Cost and Low Income Division
Universal Service Administrative Company
2000 L Street, NW, Suite 200
Washington, DC 20036

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Federal Communications Commission
Office of Secretary

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Re: Alltel Communications, Inc. (State of Virginia; SAC 199001)
Certification per 47 C.F.R. §§ 54.202, 54.209 (CC Docket No. 96-45)
Request for Confidential Treatment

Dear Madam Secretary and Ms. Majcher:

Enclosed please find the certification Alltel Communication, Inc. ("Alltel") required by sections 54.202 and 54.209 of the Commission's Rules,¹ for the State of Virginia ("State"), study area code (SAC) 199001. Alltel hereby requests that confidential and competitively sensitive portions of this filing be withheld from public inspection pursuant to Section 0.459 of the Commission's Rules.² The materials include highly confidential and competitively sensitive business and financial information that has not been nor would ordinarily be publicly disclosed, and which thus falls within Exemption 4 of the Freedom of Information Act ("FOIA") as "trade secrets and commercial or financial information obtained from a person and privileged or confidential."³

The following information supports the request for confidentiality under Section 0.459(b) of the Commission's Rules:

- (1) The information for which confidential treatment is requested includes the following portions of Alltel's attached certifications: Confidential Exhibit B (Service Improvement

¹ 47 C.F.R. §§ 54.202, 54.209.

² 47 C.F.R. § 0.459

³ 5 U.S.C. § 552(b)(4). As such, the material should automatically be exempt from disclosure under the Commission's Rules. 47 C.F.R. §§ 0.457(d) and 0.459(a).

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Plan, with Appendices); Confidential Exhibit D (prior years' universal service support and expenditures, with Appendices); Confidential Exhibit E (outage report); and Confidential Exhibit F (unfulfilled service requests).

- (2) This information is being submitted as required by sections 54.202 and 54.209 of the Commission's Rules and the *March 17 Order*.⁴
- (3) This information is highly confidential and competitively sensitive information. The Service Improvement Plan (Exhibit B) shows Alltel's projected expenditures to improve its coverage and service localized to a granular level. The information regarding these commitments is competitively sensitive with respect to Alltel's competitors as well as other parties such as tower owners and equipment vendors. Similarly, the information regarding Alltel's expenditures of universal service support (Exhibit D) on maintenance, infrastructure, capacity, and other improvements is highly competitively sensitive. Alltel's outage report (Exhibit E) and unfulfilled service requests report (Exhibit F) are also competitively sensitive vis-à-vis Alltel's competitors.
- (4) The information concerns the wireless services that Alltel provides as an ETC in the State, which are highly competitive, with multiple wireless carriers serving these markets.
- (5) Disclosure of the financial information would cause significant competitive harm to Alltel by disclosing the location and extent of Alltel's network investments in the supported area, including competitively sensitive financial information as well as network quality information. In addition, the information regarding future commitments for network investments could harm Alltel competitively by placing it at a disadvantage in negotiations with tower site owners, equipment manufacturers, and other vendors.
- (6) Alltel treats this information as highly confidential, and does not publicly disclose this information. In addition, within the company distribution is limited to employees on a "need to know" basis.
- (7) This information is not available to the public, and has not previously been disclosed to third parties (other than agents of Alltel on a confidential, "need to know" basis, such as outside counsel or accountants).
- (8) Alltel believes this information should be permanently withheld from public disclosure, given the highly sensitive nature of the information.

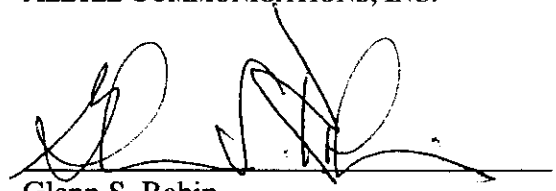
⁴ *Federal-State Joint Board on Universal*, CC Docket No. 96-45, Report and Order, 20 FCC Rcd 6371 (2005) ("*March 17 Order*").

Please contact the undersigned if you have questions concerning this request.

Respectfully submitted,

ALLTEL COMMUNICATIONS, INC.

By:

A handwritten signature in black ink, appearing to read 'Glenn S. Rabin', is written over a horizontal line.

Glenn S. Rabin

Vice President, Federal Regulatory Affairs

cc: Thomas Buckley (via email)
Mark Seifert (via email)

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**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Federal-State Joint Board on)	
)	CC Docket No. 96-45
Universal Service)	
)	
)	

**ELIGIBLE TELECOMMUNICATIONS CARRIER CERTIFICATION
AND ANNUAL REPORT ON BEHALF OF
VIRGINIA CELLULAR, LLC
STATE OF VIRGINIA**

September 29, 2006

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*Attorney for Alltel Communications, Inc.
100% Owner of Virginia Cellular, LLC*

I. INTRODUCTION

In accordance with the standards and requirements established by the Federal Communications Commission (“Commission” for “FCC”),¹ Alltel Communications, Inc. submits this Eligible Telecommunications Carrier (“ETC”) Certification and Annual Report for the service area designated to Virginia Cellular, LLC,² and respectfully requests the Commission to certify its eligibility for high-cost support from the federal universal service fund for calendar year 2007.³ In the *March 17 Order*, the Commission adopted new annual ETC certification requirements scheduled to take effect with the 2006 annual ETC certification process.⁴ These new rules are codified at 47 C.F.R. §§ 54.202 and 54.209.

II. BACKGROUND

Virginia Cellular is licensed by the FCC to provide commercial mobile radio services (“CMRS”) in Virginia. The Commission has designated Virginia Cellular as a competitive ETC in certain rural study areas and certain non-rural wire centers of Verizon South (Contel) and

¹ *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, FCC 05-46, (rel. March 17, 2005) (“*March 17 Order*”).

² On June 20, 2006, Alltel Communications, Inc. purchased Virginia Cellular, LLC (“Virginia Cellular”) and is now its 100% owner. In this filing, Alltel identifies the entity as Virginia Cellular because that entity still holds the licenses and so as not to confuse the entity with the separate ETC certification documents submitted for the historical Alltel properties in Virginia.

³ The data in the attached exhibits represent commercial and financial trade secrets regarding Alltel’s network build-out plans and other matters that are highly sensitive due to the competitive nature of the commercial wireless industry. Accordingly, Alltel respectfully requests that the Commission treat these data as trade secrets and withhold them from public inspection, pursuant to Sections 0.457(d)(1) and 0.459 of the rules, as explained in the cover letter to this filing.

⁴ *Federal-State Joint Board on Universal*, CC Docket No. 96-45, Report and Order, 20 FCC Red 6371 (2005) (“*March 17 Order*”).

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Verizon Virginia.⁵ A complete listing of the areas in which Virginia Cellular has been designated as an ETC is contained in Exhibit A, which is attached hereto.

III. VIRGINIA CELLULAR SATISFIES EACH OF THE COMMISSION'S ETC APPLICATION REQUIREMENTS SET FORTH IN SECTION 54.202(a)

Section 54.202(b) of the Commission's Rules requiring a common carrier designated by the Commission as an ETC prior to the effective date of the new rules to submit the information required by FCC Rule 54.202(a) no later than October 1, 2006.⁶ Virginia Cellular respectfully submits the following information in satisfaction of the Commission's requirements for the Designated Areas.

A. Virginia Cellular Commits To Provide Service Throughout Its Designated Areas To All Customers Making A Reasonable Request For Service

Virginia Cellular commits to provide service throughout its Designated Areas to all customers making a reasonable request for service in compliance with the Commission's standards based on FCC Rule 54.202(a)(1)(i). Upon receiving a request for service from a potential customer within its Designated Areas, Virginia Cellular hereby certifies that it will:

1. Provide service on a timely basis to requesting customers within its Designated Areas where its network already serves the potential customer's premises; and
2. Provide service within a reasonable period of time, if the potential customer's premises is located within Virginia Cellular's Designated Areas, but outside its existing network coverage, if service can be provided at reasonable cost by:
 - (a) Modifying or replacing the requesting customer's equipment;
 - (b) Deploying a roof-mounted antenna or other equipment;

⁵ *In the Matter of Federal-State Joint Board on Universal Service Virginia Cellular LLC Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Virginia*, CC Docket No. 96-45, Memorandum Opinion and Order, 19 FCC Rcd 1563 (2004).

⁶ FCC Order at ¶ 68. Because the deadline falls on a weekend this year, the deadline is September 29, 2006.

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- (c) Adjusting the nearest cell tower;
- (d) Adjusting network or customer facilities;
- (e) Reselling services from another carrier's facilities to provide service; or
- (f) Employing, leasing or constructing an additional cell site, cell extender, repeater, or other similar equipment.

If service cannot be offered at reasonable cost using one of these options, Virginia Cellular will report the unfulfilled service request to the Commission and describe how it attempted to provide service consistent with FCC Rule 54.209(a)(3).

B. Virginia Cellular's Service Improvement Plan

Virginia Cellular has developed a five-year plan that describes with specificity proposed improvements or upgrades to its network serving its Virginia Designated Areas ("Service Improvement Plan"). Virginia Cellular's Service Improvement Plan is attached as **Confidential Exhibit B**. The Service Improvement Plan included with this report provides the greatest amount of detail possible at this time, given the recent acquisition of Virginia Cellular by Alltel. Alltel is in the process of developing more detailed plans for service improvements in the Virginia Cellular designated area and expects that its next annual filing will provide a greater level of detail.

The Service Improvement Plan includes all information required by FCC Rule 54.202(a)(1)(ii) for calendar years 2006 through 2010. The projected expenditures under the Service Improvement Plan are based on an estimate of receiving approximately \$1.7 million in federal high-cost universal service support in each year throughout the five-year period for a total of approximately \$8.5 million for the entire five-year period.⁷

⁷ This figure is based on projections from the Universal Service Administrative Company's website found at www.universalservice.org. Actual support amounts received may vary from

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Virginia Cellular's Service Improvement Plan demonstrates how signal quality, coverage or capacity will continue to improve due to Virginia Cellular's receipt of federal high-cost universal service support; the projected start date and completion date for each improvement; the estimated amount of investment for each project that is funded by high-cost support; the specific geographic areas where the improvements are expected to be made; and the estimated population that will be served as a result of the improvements. In certain portions of the Designated Areas, service improvements specific solely to those areas are not currently projected within the scope of this five-year Service Improvement Plan. That is because, as reflected in **Confidential Exhibit B**, Virginia Cellular is projecting certain enhancements and upgrades to its switching facilities which will provide an improvement to all areas served in the Designated Areas. Additionally, the projected capital expenditures and other operating expenses reflected in the Plan exceed the projected amount of universal service support Virginia Cellular will receive, so the Company need not provide a further demonstration of how funding will otherwise be used to further the provision of supported services in those areas. Thus, even in those portions of the Designated Areas for which a specific service improvement is not identified in the Service Improvement Plan, Virginia Cellular will continue to utilize federal high-cost universal service support for the provision, maintenance, and upgrading of facilities and services for which the support is intended consistent with Section 254(e) of the Telecommunications Act of 1996 (the "Act") and FCC Rules 54.7 and 54.202(a)(1)(ii).

this projection. This figure does not factor in any company growth factors as doing so would be too speculative.

C. Virginia Cellular Has Adequately Prepared For Emergency Operations

Virginia Cellular provides the following information demonstrating its ability to remain functional in emergency situations consistent with FCC Rule 54.202(a)(2). The Virginia Cellular network is designed to be able to remain functional in emergency situations. Virginia Cellular has reasonable amounts of back-up power to provide functionality without an external power source, and has implemented industry practices to reroute traffic around damaged facilities and manage traffic spikes resulting from emergency situations.

Virginia Cellular has deployed fixed and portable back-up power generators at various locations throughout its network that can be deployed in emergency situations. These back-up power generators are capable of keeping a cell site up and running until power is restored to the cell site, a portable generator is moved to the site, system changes are made to reroute traffic or a cell on wheels (“COW”) is deployed. Virginia Cellular tests its back-up power generators regularly to ensure functionality. Virginia Cellular is also capable of rerouting traffic around damaged or out-of-service facilities by changing call routing translations as needed. Virginia Cellular is also able to deploy COWs as temporary cell sites when existing facilities are damaged or out-of-service for longer periods of time. Further, by changing call routing translations or deploying COWs, Virginia Cellular is able to manage traffic spikes throughout its network. As a longer-term solution for managing increased traffic levels and traffic spikes, Virginia Cellular may increase capacity at its cell sites, switches and transport facilities.

D. Virginia Cellular Will Satisfy Applicable Consumer Protection And Service Quality Standards Within Its Designated Areas, Including Compliance With The CTIA Consumer Code

Virginia Cellular will satisfy applicable consumer protection and service quality standards within its Designated Areas. For purposes of this requirement, the applicable consumer protection and service quality standards established by the Commission relate to CTIA

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– The Wireless Association’s Consumer Code for Wireless Service (“Consumer Code”). Set forth below is a demonstration of Virginia Cellular’s ability to comply with the applicable standards.

FCC Rule 54.202(a)(3) states that a commitment by a wireless carrier to comply with the Consumer Code satisfies this requirement.⁸ Virginia Cellular became a voluntary signatory to the Consumer Code in April 2004.⁹ Attached as Exhibit C is a copy of Virginia Cellular’s re-certification of its commitment to the Consumer Code. Since adopting the Consumer Code, Virginia Cellular has implemented the policies and practices required of signatories throughout its Designated Areas, including disclosures of rates, terms of service and maps of service areas, a trial period for new service, ready access to customer service, policies for customer privacy and prompt responses to consumer inquiries and complaints from government agencies. Furthermore, Virginia Cellular provides periodic training materials to customer service representatives and internally monitors and updates its intranet site toward maintaining compliance with the Consumer Code. Finally, Virginia Cellular provides subscribers with benefits that are not mandated by the Consumer Code or other regulation in that it does not charge customers for changing rate plans even if their service contract has not expired.

⁸ FCC Rule 54.202(a)(3) states that a wireless ETC applicant’s commitment to comply with the Consumer Code satisfies the requirement to meet applicable consumer protection and service quality standards.

⁹ In August 2005, Virginia Cellular re-certified its commitment to the CTIA Consumer Code for Wireless Service. This document includes examples of legacy Virginia Cellular rate plans.

E. Virginia Cellular Offers Local Usage Plans Comparable To The Service Offerings Of The Incumbent LECs Serving Virginia Cellular's Designated Areas

Virginia Cellular offers local usage plans that are comparable to the service offerings of the incumbent LECs serving its Designated Areas consistent with FCC Rule 54.202(a)(4). Furthermore, as of November 5, 2006, Virginia Cellular will introduce the Alltel rate plans in its ETC designated area, thereby giving customers more choices in pricing and wireless coverage plans. The requirement to offer at least one service offering that contains an amount of local usage comparable to the local usage offered by the incumbent LEC does not mandate unlimited local calling. When comparing Virginia Cellular's service offerings to one offered by an incumbent LEC, it is appropriate to consider that Virginia Cellular offers local calling plans that may contain fewer minutes of use but larger local calling areas, which is comparable to a LEC plan with more minutes of use but a smaller local calling area.¹⁰

A listing of Alltel's rate plans, which will be those offered in the Designated Areas during the certification year, is attached as **Exhibit E**.¹¹ Information about Virginia Cellular's legacy rate plans is also included in Exhibit C. Virginia Cellular provides rate plans that include substantial local calling areas with varying levels of local usage, including plans with unlimited local usage that provide an outstanding consumer value. Virginia Cellular includes local usage in each rate plan and Virginia Cellular offers local calling areas that are substantially larger than those offered by the incumbent LECs. Customers therefore have the opportunity to select a rate plan that best meets their needs. Each Virginia Cellular rate plan includes, at a minimum, all of

¹⁰ *March 17 Order* at ¶ 33.

¹¹ Existing Virginia Cellular subscribers will be grandfathered in their current rate plans. However, those subscribers who wish to try one of Alltel's many rate plans may do so beginning in November 2006.

the supported services required by FCC Rule 54.101(a)(1)-(9) comparable to the service offerings of the incumbent LECs. Consistent with FCC Rule 54.202(a)(4), the amount of local usage available in Virginia Cellular generally available rate plans is comparable to that offered by the incumbent LECs in the Designated Areas.

F. Virginia Cellular Acknowledges The FCC May Require It To Provide Equal Access In A Designated Area In The Event That No Other ETC In the Service Area Is Providing Equal Access

Consistent with FCC Rule 54.202(a)(5), Virginia Cellular hereby acknowledges that the FCC, pursuant to 47 U.S.C. § 332(c)(8), may require it to provide equal access to long distance carriers in the event that no other ETC is providing equal access within one of its Designated Areas.

IV. VIRGINIA CELLULAR'S ANNUAL REPORT IN ACCORDANCE WITH SECTION 54.209(a)

FCC Rule 54.209(a) requires a common carrier previously designated by the Commission as an ETC to annually report certain additional information no later than October 1 of each calendar year. Virginia Cellular respectfully submits the following information in satisfaction of the Commission's annual reporting requirement.

A. Progress Report on its Service Improvement Plan

FCC Rule 54.209(a)(1) requires an ETC to file a progress report on its Service Improvement Plan. The Service Improvement Plan covers the time period from January 1, 2006 through December 31, 2010. The information within **Confidential Exhibit B, Appendix 1** provides projected expenditure data for 2006 through 2010, and thus reflects Virginia Cellular's progress on the Service Improvement Plan through that date.

In addition, when adopting the new annual reporting rules, the Commission required a carrier that had not previously filed a Service Improvement Plan to include a description of

improvements or upgrades it has made since the date of its initial designation.¹² Virginia Cellular has provided annual compliance filings to the FCC in 2004 and 2005, copies of which are attached as **Confidential Appendices 2 and 3**, respectively, to **Exhibit B** hereto in fulfillment of the requirement to provide description of all improvements since the ETC designation are not necessary. Virginia Cellular will provide the Commission copies of its annual compliance filings, and will update the Commission on improvements since the last compliance filing. Additionally, information regarding the amount of federal universal service support received by Virginia Cellular in third and fourth quarters of 2005 and first quarter of 2006 is being provided. Furthermore, **Confidential Exhibit E** contains a detailed trial balance describing service improvements completed and unaudited financial information regarding Virginia Cellular's capital expenditures and operating expenses for the period between July 1, 2005 through March 31, 2006.

B. Network Outages In Virginia Designated Areas

FCC Rule 54.209(a)(2) requires an ETC to annually report network outages within its Designated Areas. FCC Rule 54.209(a)(2) specifically requires:

detailed information on any outage, as that term is defined in 47 C.F.R. § 4.5, of at least 30 minutes in duration for each service area in which an eligible telecommunications carrier is designated for any facilities it owns, operates, leases, or otherwise utilizes that potentially affect (a) at least ten percent of the end users served in a designated service area; or (b) a 911 special facility, as defined in 47 C.F.R. § 4.5(e). Specifically, the eligible telecommunications carrier's annual report must include information detailing: (a) the date and time of onset of the outage; (b) a brief description of the outage and its resolution; (c) the particular services affected; (d) the geographic areas affected by the outage; (e) steps taken to prevent a similar situation in the future; and (f) the number of customers affected.

¹² *March 17 Order*, ¶ 68 n. 191. Furthermore, Virginia Cellular committed to providing the Commission with a compliance filing containing additional information as set forth in the Commission's *Memorandum Opinion and Order*, *Ibid*.

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This information, for the time period October 1, 2005 through June 30, 2006, is contained within **Confidential Exhibit F**. Virginia Cellular has compiled and reported information for all outages, as defined in 47 C.F.R. § 4.5, of at least 30 minutes in duration occurring within its Virginia Designated Areas. Such information includes, but is not limited to, any outage that may potentially affect at least ten percent (10%) of its customers served in a service area. Similarly, the information relating to the number of customers affected by an outage is estimated based on the number of customers with a billing address in the wire center as of June 30, 2006. The exact number of customers affected would be dependent upon the number of call attempts during the service disruption, which is not capable of being ascertained.

C. Unfulfilled Requests For Service

FCC Rule 54.209(a)(3) requires an ETC to annually report the number of requests for service from potential customers within the ETC's designated service areas that were unfulfilled during the past year. The filing must also detail how the ETC attempted to provide service to those potential customers as set forth in FCC Rule 54.202(a)(1)(i). The required information concerning Virginia Cellular's unfulfilled requests for service within its Designated Areas from January 1, 2005 through December 31, 2005 is contained in **Exhibit G**.

D. Complaints Per 1,000 Handsets Or Lines

FCC Rule 54.209(a)(4) requires an ETC to make an annual report of the number of complaints per 1,000 handsets or lines. The number of complaints per 1,000 handsets for its Designated Areas which Virginia Cellular has received from the Virginia Commission, FCC, Virginia Attorney General, the Better Business Bureau or similar third party consumer agency between January 1, 2005 and December 31, 2005 is 0.39114. The percentage of complaints is calculated based on the number of subscribers in the Designated Areas as of December 31, 2005.

E. Certification Regarding Applicable Service Quality Standards And Consumer Protection Rules

FCC Rule 54.209(a)(5) requires an ETC to certify that it is complying with applicable service quality standards and consumer protection rules. Virginia Cellular's compliance with the CTIA Consumer Code satisfies this requirement. As noted above, Virginia Cellular is a signatory to the CTIA Code. *See supra* Section III(D). Virginia Cellular certifies that it is in compliance with these consumer protection and service quality standards.

F. Certification Regarding Its Provision Of A Comparable Local Usage Plan

FCC Rule 54.209(a)(7) requires an ETC to certify that it is offering a local usage plan comparable to the incumbent LEC in the relevant service areas. As noted above, Virginia Cellular makes available comparable service offerings in its Designated Areas. *See supra* Section III(E). Virginia Cellular certifies that it is offering at least one comparable local usage plan as required by Section 54.209(a)(7).

G. Certification Regarding The FCC's Ability To Provide Equal Access

Virginia Cellular certifies that the FCC, pursuant to 47 U.S.C. § 332(c)(8), may require it to provide equal access to long distance carriers within one of its Designated Areas in the event that no other ETC is providing equal access.

V. CONCLUSION

Based on the foregoing information, Virginia Cellular respectfully requests the FCC and USAC to certify the Company's eligibility to receive federal universal service support for calendar year 2007 in accordance with 47 C.F.R. §§ 54.313 and 54.414.

September 29, 2006

Alltel Communications, Inc.

Gene DeJordy
Vice President, Regulatory Affairs
Alltel Communications, Inc.
1 Allied Drive
Little Rock, AR 72202

Attorney for Alltel Communications, Inc.

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SUMMARY OF EXHIBITS

Exhibit A—List of wire centers where Virginia Cellular is designated an ETC

Confidential Exhibit B – Service Improvement Plan for the State of Virginia

Appendix 1: Projected Service Improvements

Appendix 2: 2004 Compliance Filing

Appendix 3: 2005 Compliance Filing

Appendix 4: Coverage Map

Appendix 5: Description of 2006 Improvements or Upgrades

Exhibit C – Commitment to CTIA Code for Wireless Service and Rate Plan Brochures

Exhibit D – Virginia (Alltel) Service Plans in Virginia

Confidential Exhibit E – Q3 and Q4 2005 and Q1 2006 Universal Service Support and Expenditures.

Confidential Exhibit F – Outage Report for October 2005 – June 2006

Confidential Exhibit G – Unfulfilled Requests for Service for January 1, 2005 – December 31, 2005

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EXHIBIT A

ETC WIRE CENTER LIST

See attachment

Exhibit A

Virginia Cellular LLC ETC Designated Area State of Virginia

ILEC Name	Wirecenter Name	CLLI Code
HIGHLAND TELEPHONE COOPERATIVE	BLUEGRASS	BLUGVAXA
	MILL GAP	MLGPVAXA
	MONTEREY	MTRYVAXA
MOUNTAIN GROVE - WILLIAMSVILLE T	DEERFIELD	DRFDVAXA
	MC DOWELL	MCWLVAXA
	WILLIAMSVILLE	WSVLVAXA
NEW HOPE TELEPHONE CO.	FT DEFIANCE	NWHPVAXA
NORTH RIVER TELEPHONE COOPERATIVE	MOUNT SOLON	MTSLVAXA
SHENANDOAH TELEPHONE CO.	BERGTON	BGTNVAXA
VERIZON SOUTH INC.-VA (CONTEL)	AMHERST	AMHRVAXA
	BRIDGEWATER	BRWRVAXA
	BROADWAY	BRWYVAXA
	DAYTON	DYTNVAXA
	EDOM	EDOMVAXA
	ELKTON	EKTNVAXA
	GLADSTONE	GLDSVAXA
	GROTTOES	GRTSVAXA
	HARRISONBURG	HRBGVAXA
	HINTON	HITNVAXA
	KEEZLETOWN	KZTWVAXA
	MCGAHEYSVILLE	MGVLVAXA
	WEYERS CAVE	WYCVVAXA
VERIZON VIRGINIA INC.	CRAIGSVILLE	CRVIVACV
	GREENWOOD	GNWDVAGW
	LOVINGSTON	LVTNVALN
	LOVINGSTON	NLFRVANF
	LOVINGSTON	WNTRVAWG
	PINE RIVER	PNRVVAPR
	STAUNTON	STTNVAST
	STAUNTON	STTNVAVE
	STUARTS DRAFT	STDRVASD

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CONFIDENTIAL EXHIBIT B

VIRGINIA CELLULAR SERVICE IMPROVEMENT PLAN AND APPENDICES

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EXHIBIT B

**SERVICE IMPROVEMENT PLAN FOR THE STATE OF VIRGINIA
ON BEHALF OF VIRGINIA CELLULAR, LLC**

I. INTRODUCTION

Virginia Cellular, LLC¹ (“Virginia Cellular” or “the Company”) submits the following Service Improvement Plan and progress report pursuant to the standards established by the Federal Communications Commission (“Commission”).² The service quality improvement plan is required under Sections 54.202(a)(1)(ii) and 54.209(a)(1) of the Commission’s universal service rules. Virginia Cellular has been designated by the Commission as a competitive eligible telecommunications carrier (“ETC”) for certain service areas within the State of Virginia (the “Designated Areas”).³

As required by the *March 17 Order*, FCC Rule 54.202(a)(1)(ii) requires the submission of a Service Improvement Plan setting forth projected uses of high-cost universal service support for improvements or upgrades to the carrier’s network on either a wire center-by-wire center basis. FCC Rule 54.202(a)(1)(ii) further requires an applicant to describe how signal quality, coverage or capacity will improve due to the receipt of high-cost universal service support.

As set forth in the Commission’s Rules, a common carrier previously designated by the Commission as an ETC must submit the information required by Section 54.202(a) no later than October 1, 2006.⁴ In compliance with FCC Rules 54.202(a)(1)(ii), the Service Improvement

¹ On June 20, 2006, Alltel Communications, Inc. purchased Virginia Cellular, LLC (“Virginia Cellular”) and is now its 100% owner. In this filing, Alltel identifies the entity as Virginia Cellular because that entity still holds the licenses and so as not to confuse the entity with the separate ETC certification documents submitted for the historical Alltel properties in Virginia.

² *Federal-State Joint Board on Universal*, CC Docket No. 96-45, Report and Order, 20 FCC Rcd 6371 (2005) (“*March 17 Order*”).

³ *In the Matter of Federal-State Joint Board on Universal Service Virginia Cellular LLC Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Virginia*, CC Docket No. 96-45, Memorandum Opinion and Order, 19 FCC Rcd 1563 (2004).

⁴ 47 C.F.R. § 54.202 (b).

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Plan set forth below describes Virginia Cellular's projected use of federal high-cost universal service support for the period January 1, 2006 through December 31, 2010 for the provision, maintenance and upgrading of facilities and services for which the support is intended in the Designated Areas. The Service Improvement Plan included with this report provides the greatest amount of detail possible at this time, given the recent acquisition of Virginia Cellular by Alltel. Alltel is in the process of developing more detailed plans for service improvements in the Virginia Cellular designated area and expects that its next annual filing will provide a greater level of detail.

II. PROJECTED HIGH-COST SUPPORT

Pursuant to Section 254(e) of the Telecommunications Act of 1996 (the "Act"), a carrier eligible to receive federal high-cost universal service support shall use such support "only for the provision, maintenance, and upgrading of facilities and services for which the support is intended." Consistent with Section 254(e) and FCC Rules 54.7, 54.313 and 54.314, Virginia Cellular hereby certifies that all federal high-cost universal service support received will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.

Based on the most recent per-line support projections of the Universal Service Administrative Company ("USAC"), Virginia Cellular currently estimates that it will receive approximately \$1.7 million in federal universal service for calendar year 2006 and in each of the next four years that the Service Improvement Plan covers. The total projected amount of high-cost support used to develop the Service Improvement Plan is approximately \$8.5 million. The actual amount of high-cost universal service support received by the Company for either year may vary from this estimate as universal service support levels and subscribership change over

time. Particularly if the projected amount of support is not received, Virginia Cellular reserves the right to modify its Service Improvement Plan accordingly.

III. SERVICE IMPROVEMENTS

On June 20, 2006, Alltel completed the acquisition of Virginia Cellular. At this time, Alltel has identified certain facility construction and/or service quality or capacity projects that are intended to expand coverage and improve service quality within the Virginia Cellular Designated Areas in Virginia. Attached as **Confidential Appendix B-1** is a spreadsheet describing the types of facilities or improvements, locations, estimated population covered,⁵ projected budget and estimated deployment schedule for each of the projected improvements. Virginia Cellular will use federal high-cost universal service support to assist it in completing these improvements for purposes of expanding and improving its services in the Designated Areas.

The selection of these facility construction projects and service improvements is based on Virginia Cellular's evaluation of numerous factors, including current consumer demand, competitive forces, available capital, projected high-cost support and others. It is also based on the Company's evaluation of where current network facilities could be improved to provide better service and where current and projected consumer demand may require increased capacity. As these factors change, Virginia Cellular will reevaluate and modify its projected service improvements accordingly. The order in which these facilities and improvements are deployed has not been finally determined and will be revised over time.

⁵ Virginia Cellular has estimated the population covered based on data contained in MapInfo™ mapping software. For upgrades and improvements allocated to a particular facility location, Virginia Cellular has identified the estimated population of the wire center where the facility is physically located.

IV. OPERATING EXPENSES

Since Virginia Cellular first began providing service in the State of Virginia, the Company has developed a robust network throughout its licensed service areas and currently provides service to a substantial number of subscribers within its Designated Areas. Attached as **Confidential Exhibit B, Appendices 2 and 3** are Virginia Cellular's ETC compliance filings for 2004 and 2005, which provide a description of the types and locations of facilities the Company has deployed in the designated service area.

Virginia Cellular's projected service coverage, quality and capacity improvements set forth in the Service Improvement Plan represent a substantial capital investment in new facilities and services based on the projected receipt of federal high-cost universal service support. Pursuant to Section 254(e) of the Act, the Company will utilize the federal high-cost universal service support it receives to operate, maintain and upgrade these network facilities and services consistent with the universal service objective of providing quality telecommunications services in rural and high-cost areas and to low-income subscribers. Included in **Confidential Exhibit B, Appendix 1** is a description of the projected operational costs associated with the provision of service and maintenance of facilities within the Company's Designated Areas in Virginia.

V. ANNUAL PROGRESS REPORT

Due to changes in consumer demand, regulatory requirements, technology improvements in the wireless telecommunications industry and other factors, Virginia Cellular's Service Improvement Plan is subject to modification and amendment. In addition, the Company's proposed deployment schedule may be adjusted depending upon the amount of federal high-cost universal service support it receives and the timing of its receipt of such support. Construction of the Company's projected network facilities and completion of other upgrades is based on its estimates of projected expenses, the per-line support available and the number of current